THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) To promote foreign investment Government have taken a number of steps which include:—

(i) Abolition of industrial licensing, removal of restrictiins on investments under the MRTP Act, liberalisation of policy and procedures for transfer of foreign technology, import of capital goods and raw materials etc.

(ii) Existing companies have been allowed to raise foreign equity upto 51 per cent at prices determined by the shareholders.

(iii) The general condition of dividend balancing has been withdrawn except for industries in the consumer goods sector;

(iv) Disinvestment of equity by foreign investors has been allowed at the market rates on the stock exchanges.

(v) India has signed the Multilateral Investment Guarantee Agency Protocal for the protection of foreign investments.

(vi) Provisions of FERA have been liberalised as a result of which companies with more than 40 per cent foreign equity can operate like any other Indian company.

(vii) Foreign companies were allowed to use their trade marks for domestic sales;

(viii) Foreign Institutional Investors (FIIs) have been allowed to invest in the securities traded on the Primary and Secondary markets provided they register with Securities and Exchange Board of India (SEBI).

(b) The approvals for foreign collaborations given by the Government of India during 1992 amounted to Rupees 3888 crores as against Rupees 534 crores during the year 1991.

(c) The liberalisation of rules is an ongoing and continuous process.

Gold Bond Scheme

123. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 3232 given in the Rajya Sabha on the 15th December, 1992 and to state:

(a) whether the proposed Gold Bond Scheme has since been introduced; and

(b) if not, what are the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Does not arise.

Opening of new offices of RBI

124. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has a programme of opening new offices in important commercial and industrial centres of the country where there is no office at present; and

(b) if so, what are the centres under contemplation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE OF THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Reserve Bank of India (RBI) have reported that they do not have at present any plan to open an office at any new commercial or industrial centre in the country.

Import of Gold

125. SHRI SUNIL BASU RAY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the

amount and rate of gold import per month during the current financial year are fast surpassing the target officially set for;

(b) if so, what is the official target;

(c) what is the total amount of gold imported upto October, 1992;

(d) what is the anticipated import during 1992-93;

(e) what is the expected amount of import duty to be collected during the year on account of gold import; and

(f) what would be its possible impact on foreign exchange reserves and moving towards a single exchange rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (e) The estimated imports during 1992-93 at the time of introduction of Gold Import Scheme was 30 to 35 tonnes yielding a revenue of Rs. 150 crores at a duty rate of Rs. 450/- per 10 grams. The import duty was subsequently reduced to Rs. 220/- per 10 grams with effect from 30.04.1992. The quantity of gold imported has already surpassed the initial estimate of 30—35 tonnes in as-much-as upto October, 1992 a quantity of 65,452 tonnes of gold was imported under the scheme and upto 14th February, 1993, a quantity of 116 tonnes of gold was imported yielding a revenue of Rs. 263 crores approximately. No. precise estimate can be made of the quantity of gold expected to be imported or revenue to be realised for the remaining part of the financial year 1992-93.

(f) There is no direct co-relation between gold import and foreign exchange reserves or single exchange rate.

Capital requirement of Tobacco trade

126. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) what is the present total capital requirement of tobacco trade;

(b) what is the amount of capital requirement that is met by banks;

(c) what is the mode of credit;

(d) what is the amount of export packing credit;

(e) what is the total amounts in the form of letter of credit; and

(f) what is the margin money involved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (f) Data on capital requirement of the tobacco trade is not available with the Reserve Bank of India (RBI). However, in terms of the data available with them the total working capital sanctioned by the commercial banks to large borrowers in the tabacco industry (covered under credit monitoring arrangement) is given as under:

(Rs. in Crores)

Quarter Ended	Amount
June, 1991	253
September, 1991 . . .	287
December, 1991 . . .	292
March, 1992 . . .	306

Of this, the working capital limits sanctioned to exporters of tobacco/tobacco products by commercial banks aggregated to Rs. 186 crores for the year 1992 as against Rs. 93 crores for the year 1991. This finance is in the form of working capital finance i.e. packing credit/post-shipment credit, sanctioned to the tobacco exporters. Separate, data on export packing credit as also the total amount in the form of Letter of Credit is not maintained by RBI.

As regards margin money, RBI has not laid down any norms for determining the quantum of margin money. This is however, fixed by the banks depending upon the nature of order, commodity, credit worthiness of exporter, his capability to bring in the requisite contribution, etc.